

The Democratic Discourse of Austerity

A Critical Discourse Analysis of two key figures of the Troika policies in Portugal

Van Vossolle, Jonas, Presentation APCP Conference, Braga, 20/04/2018

1 Context

Theoretical context: Democracy evolved together with capitalism.

The accumulation process, which forms the main engine for social interaction under the capitalist logic, reproduces unequal exchanges and inequalities. Unequal exchanges however cannot operate outside or beyond their political context; they tend to provoke opposition, which creates the need for capitalism to legitimize itself as a system organizing social relations.

Legitimacy is the notion of “the right to govern”. (Bodansky 1999) It always rests on the shared acceptance of rules and recognized by the relevant community. As such, it is founded in a collective audience’s shared belief, that ‘the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.’ (Bernstein 2004) It is part of an ideological construction, that “the existing political organization is the most appropriate” and makes existing power-relations acceptable. (Lipset 1959)

Since the ascendance of capitalism, democracy has been one of the central pillars in the legitimation of the social system, both institutionally and as a discourse. This is also the case in Portugal since the overthrow of the authoritarian Salazarist regime in 1974, and the subsequent political crisis-period (PREC – Processo revolucionário em curso: Revolutionary process in the making), marked by violent political confrontations, and changing power relations, democracy has a special place, both institutionally and ideologically. This democratic order based on a trans-class character, is the basis of a new social and political hegemony in Portuguese society. (Santos, 1993 p36, 37).

The relation between capitalism and democracy however, is not straightforward, but one of antagonisms; as democracy itself is the product of continuous struggles. The need for legitimation needs the use of value that cannot therefore be accumulated and reinvested for accumulation, and therefore restricts the possibilities for accumulation. (Paterson 2010, p.349) These contradictions provoke the tension between accumulation and legitimation central to the reproduction of capitalist societies (Paterson 2010).

2 tendencies of legitimation.

One is the depolitization of the inequalities, the sphere of the economy and therefore limiting the sphere where political and substantive democratic legitimation is needed. This is the tendency to establish and strengthen private spheres, which are not subject to democratic decisions: such as the (free) depoliticized markets (Habermas, 1991) which restricts the public sphere as much as possible. When this tendency is reproduced in discourse will call this the (neo)liberal aspect of the discourse.

On the other hand the tendency to legitimize public policies within the public sphere as much as possible on the base of formal democratic procedures, in limit the democratic substance as much as possible. This second tendency is institutionalized by a tendency towards a

minimalist, formal Schumpeterian-based (Schumpeter) model for democracy. We will call this the formalist aspect of the discourse.

2. Method

Our textual analysis is based upon interviews with two key players in the implementation of austerity measures: Mr. Abebe Selassie, president of the IMF mission in Portugal and Maria Luis Albuquerque, finance minister of the Passos Coelho government.

The semi-structured interviews were conducted around 4 leading questions: “What is your opinion about the state of democracy in Portugal”, “What is the impact of the crisis on democracy in Portugal”, “How do you define Democracy” and “What is your opinion about the anti-austerity movements and those claiming ‘Real Democracy Now!’?”

3. Interviews:

M. L. Albuquerque: (3 Mar 2017)

State of democracy = relation between government and parliament, majority/minority

In “good shape”: “transparent in their communication”.

(vs back-door agreements of Geringonça-government)

Memorandum of understanding “did not put any obstacle to democracy” because “parties represented 85% of parliament”;

“Program and execution were thus from a popular vote perspective totally legitimate”.

Some “restrictions of national sovereignty in the agreement were consequence of a situation of pre-bankruptcy; but were necessary as a bankruptcy would pose a real threat to democracy”.

It was “not the international institutions that obliged us to accept the money, we created this situation”. The imposed reforms were “necessary to correct the structural problems of the Portuguese economy and the rule of law”.

She claims an “western democracy”, which she defines as “a representative system” of “free elections” and “checks and balances”.

She thinks it is “normal” that there is a “reaction” in “situations of crisis” because they create “multiple victims”. But “some groups” defend a “rupture with the regime”, and want to pass to a “more direct form of democracy”.

The radical left - both the Communist Party as the anti-austerity movements - that stand for a “rupture of regime”, is the strongest danger for Democracy which she automatically links to “the regime” and to “what is called capitalism”. Rupture is “wrong and dangerous”.

She compares the PCP as “totalitarian” and equally dangerous to democracy as the extreme right parties in Eastern Europe; the only reason this not being recognized by the general public is because the Portuguese democracy is generally inclined to the Left, because it was born out of a movement against the extreme-right dictatorship of Salazar’s Estado Novo.

A. Selassie (13 Mar 2013)

“frames things through an economic lens” but thinks democracy is “in relatively healthy state”: Portugal seems a “very harmonious and consensual society”, although the “deep crisis” has “put strain on the body politic” and the “political discourse”.

The “institutions are still there”: “in terms of parliament, freedom of speech”, “constitutional court”, “checks and balances”

The crisis is creating more “difference between parties” and there is “a blame-game going on”, but remains a “broad-based consensus” for “some elements in the program”

“differentiates Portugal from other countries”, like Greece “which has a history of political violence” and “stands Portugal well”.

the protests are “understandable”, but in the “very deep economic crisis”, “the measures were unavoidable”.

We have been asked for technical assistance. It’s for the government to have the political debate, it’s the parliaments’ and governments’ will. The government was “democratically elected”, so it is not technocratic.

But whether “it’s a technocratic or a democratic elected government”, you have “very limited budgetary tools, policies, to overcome the crisis”: “there is no way out”.

4 Analysis

Common elements = the focus on institutional characteristics:

Albuquerque focusses on “representative government”, “free elections”, “checks and balances”, “transparency”, “government”, “democratic alternation”, “majorities and minorities”, “law”, “democratic rights”, “parliamentary debate”, “parliamentary control” “democratic choice of representatives”, “electoral mandate”, “parties”, “program”, “power”, “institutions”, “pillars of democratic regime”, “western democracies”, “capitalism”. Selassie focusses is less extensive and focusses on “institutions”, “constitutional tribunal”, “checks and balances”, “parliament”, “parties”, “peaceful”, “freedom of speech”.

Differences – Party-political position of Albuquerque: When asked about the “state of democracy”, Albuquerque mainly focusses on the parties which at the moment of the interview were part of the government agreement, but at the time of the Troika-period were the opposition: She focusses on the “parliamentary debate” and the “disrespect for the parties that today (2017) compose the opposition and the use of force of the majority to block minority rights” as opposed to the “attitude of great respect” and “transparency” to describe the situation under the PSD-CDS government. She warns the majority that “majorities are conjunctural”.

Selassie: Lack of knowledge of and personal relation with the political and social situation of the country. The technical background of these highly qualified officers of international institutions, allows such ignorance of the social reality to be considered acceptable, as it translates the countries problems in what are considered objective economic statistics.

Uneasy with questions about democratic legitimacy of the measures; various times during the interview stating that he is not the person to answer to these questions, asking for more

technical questions. At the same time, there was a kind of self-censorship about sensitive issues, such as structural problems of the Eurozone, expressed by silences.

5 Depoliticization and formal legitimation

Depoliticization

According to Selassie, the crisis was the **consequence of “drying up of financing flows”** and the **policies were design to meet the need to “reduce their imbalances”**. **At the same time the austerity program is portrayed as an AID to “try and to provide temporary financing”, to relieve the pain. At the same time the “program has sought to protect the minimum levels of benefits, the minimum levels of pensions,” it “ensures ... the social protection is at the core helping the poor”; portraying the anti-social character of austerity would thus be “unfair”**. He states that the political debate is too much “a little bit of a blame game”.

At the same time, he portrays the role Troika as a-political and good-governance advice: **“we form judgments on what is reasonable and what is not reasonable”**. **The troika only gives “technical assistance” and gives advice on “what kind of financing there is”**. This also means that the political decision is restricted to “how you get there” which is **“ultimately a decision that has to come from here (the national government)”** as long as it “was reasonable”. No structural elements of crisis, power relations, role of elites...

Formal Legitimation

He admits that the crisis and the necessity of austerity “puts a strain on the political discourse” and it “puts a strain on the body politic”. **Policies are restricted due to “very limited budgetary tools”**. **However, to his surprise “the insitutions are still in place”; “The democratic institutions remain in place; If we think in terms of parliament, freedom of speech, constitutional court check, checks and balances ...”**. It is “normal” that people protest, but as long as the “numbers are endorsed by parliament”, where he is even surprised of “how broad-based consensus there has been”, acknowledging that this is “something that stands Portugal well”.

There is no problem for the democratic legitimacy, which he considers as “relatively healthy”. Furthermore, “the adoption of the fiscal compact”, “and of course the annual budget, are approved and ratified by parliament”. As long as “the government democratically elected”, according to this official we cannot see an opposition “between technocracy and democracy”.